

November 10, 2009

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Mr. Jim Williams, Administrator
Employer-Union Health Benefits Trust Fund
City Financial Tower
201 Merchant Street, Suite 1520
Honolulu, HI 96813

Dear Mr. Williams:

We are in receipt of your letter of November 5, 2009 concerning the difficulties facing the Employer-Union Trust Fund as it attempts to conduct open enrollment for plans to start January 1, 2010.

Your letter cites a number of challenges, ranging from staffing issues to the impact of a computer system conversion. The net effect of these challenges, you suggest, will be a likely delay in the processing of applications in the open enrollment period, possibly leading to employee beneficiaries being unable to utilize their benefits beginning in January should they change plans now. In addition, employees face the prospect of not having the accurate amount of premiums deducted from their pay, causing further disruption as corrections are made.

Simply put, we find these outcomes unacceptable for the employee beneficiaries that are served by the EUTF. While there is no blame to assess, since we trust that your staff has done all it can to keep up with the burgeoning work load, we feel it would be irresponsible for the Trustees and staff to continue this open enrollment fiasco given the likely outcomes and the impact on employees. While we understand the EUTF is receiving some help from the staff of the insurance carriers, there are no assurances that their help will be able to resolve the many challenges your letter outlines.

The EUTF Trustees have a fiduciary responsibility to the plan beneficiaries, and the problems created by proceeding with the open enrollment will breach that duty. We urge the Trustees to reconsider, and CANCEL the current open enrollment. By doing so and allowing the existing plans to continue for an additional six (6) months, will allow for more time for the EUTF staff to prepare and hopefully avoid the kinds of problems now being predicted.

The impact of this decision has great bearing on the lives of thousands of active and retired employees and their dependents. Your quick action to protect the interests of the employees you serve is needed. We trust that you will do what is necessary to prevent such chaos from occurring.

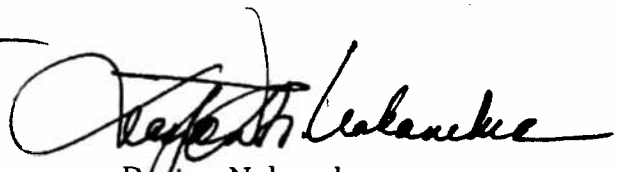
Sincerely,



Randy Perreira
HGEA Executive Director



JN Musto
UHPA Executive Director



Dayton Nakanelua
UPW State Director

